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Baker-Polito Administration Announces Fiscal Year 2019 Capital Investment Plan

\$2.34 billion plan will maintain and modernize existing assets and make targeted new investments, with an increased emphasis on climate change mitigation and adaptation

BOSTON – The Baker-Polito Administration today released its Fiscal Year 2019 (FY19) Capital Investment Plan, which emphasizes care and maintenance of the Commonwealth's existing assets while making targeted new investments to meet growing needs. The plan reflects a fiscally responsible approach to long-term planning and a continuing commitment to affordability.

The FY19 plan makes affordable investments in housing, higher education, transportation infrastructure and technology upgrades. It also reflects the Administration's continuing commitment to strong partnerships with cities and towns with investments that help communities meet their local infrastructure needs.

To address the potential impact of climate change on the Commonwealth's assets, the Administration also evaluated every investment for potential climate change implications. The administration has provided more than \$60 million in FY19 to directly address issues related to climate change and also proposed a \$1.4 billion environmental bond bill that included \$300 million to respond to and prepare for extreme weather, sea level rise, inland flooding and other climate impacts.

"Our fourth capital investment plan builds on our Administration's responsible and targeted approach to maintaining and funding critical state assets that benefit residents in every

corner of the Commonwealth from maintaining our roads to investing in our schools,” said **Governor Charlie Baker**. “This plan addresses some of the Commonwealth’s most pressing needs to repair local infrastructure and invest in economic development opportunities for new businesses and workforce development, and also balances new development with an evaluation for climate change implications to protect the environment well into the future.”

“The Baker-Polito Administration continues our strong partnership with cities and towns through this capital investment plan, which funds more than a dozen programs that provide direct assistance to communities for local infrastructure needs,” said **Lt. Governor Karyn Polito**. “From technology upgrades at city and town halls to rebuilding crumbling seawalls, the Commonwealth’s communities will long benefit from these investments.”

By including a \$108 million investment in South Coast Rail, this plan puts the Commonwealth on course to provide rail service for residents of Southeastern Massachusetts. The South Coast Rail project will meet the current and future demand for public transportation between Fall River/New Bedford and Boston, and will also support smart growth development in the region.

“The Administration’s approach to capital investing continues to be guided by a strong sense of fiscal responsibility and a commitment to managing the Commonwealth’s debt responsibly,” said **Secretary of Administration and Finance Michael J. Heffernan**. “This carefully-considered plan balances the need to invest in our Commonwealth’s infrastructure with prudent management of our long-term financial obligations.”

The \$2.34 billion bond cap represents a responsible \$80 million (3.5%) increase over Fiscal Year 2018, which is in line with the recommendations of the Debt Affordability Committee. The total capital investment for FY19, after accounting for non-bond-cap funding sources, will be \$4.5 billion.

To view the FY19 Capital Investment Plan, visit: www.mass.gov/capital.

Within the Administration’s FY19 capital budget, projects focus on six major themes:

Responsible Asset Stewardship

The Baker-Polito Administration’s fourth capital plan is built on a fundamental commitment to repairing and modernizing the state’s existing capital assets, to avoid costly future repairs, while taking a strategic approach to new investments for future growth.

- 74 percent of the plan is dedicated to maintenance and modernization, including rebuilding, reconstructing or reconditioning existing assets
- 26 percent of the plan is dedicated to targeted growth through creation of new assets or increasing investments in priority areas

The plan funds:

- \$807 million in bond cap for maintaining and modernizing the Commonwealth's transportation infrastructure
- \$190 million for projects on higher education campuses
- \$85 million to support maintenance and improvements at local housing authorities
- \$11 million for major improvements to skating rinks and swimming pools
- More than \$7 million in state-share of funding for a new, state-of-the-art long-term care facility for veterans at the Soldiers' Home in Chelsea, a \$200 million project that is expected to receive 65% reimbursement by the federal government
- \$3.15 million in funding for renovations at the Soldiers' Home in Holyoke, for deferred maintenance, resiliency work, and site improvements

Supporting Local Communities

This plan also strengthens the Baker-Polito Administration's partnership with cities and towns, which is most visible through the Community Compact program. As of May 2018, all 351 cities and towns have signed Community Compact agreements, making them eligible for technology grants funded through the capital plan, as well as other benefits.

In total, the FY19 capital plan funds more than a dozen grant programs that help local communities build libraries, improve access for people with disabilities to municipal buildings, and fund infrastructure projects that help unlock economic development opportunities.

The plan funds:

- \$200 million in Chapter 90 funding for local road and bridge repairs
- \$16.6 million to extend residential broadband internet service in underserved communities in Western Massachusetts and the Berkshires
- \$9 million for the municipal small bridge program, which funds repair and replacement of small bridges that don't qualify for federal funding
- \$5 million for [Housing Choice](#), a new initiative that funds capital grants to cities and towns that meet certain housing production goals and have adopted best practices that will help meet the housing needs of Massachusetts' workforce
- \$2.5 million to help cities and towns redevelop brownfields sites
- \$2 million in Community Compact technology grants
- \$500,000 to provide state matching funds to local police departments to purchase bulletproof vests

Economic Opportunities for All

The plan provides for investments to promote economic development in every region of the Commonwealth. They include:

- \$80 million for MassWorks grants, which fund critical local infrastructure improvements that help pave the way for economic development projects
- \$35 million for dredging in Boston Harbor, and \$4 million for other dredging projects to promote economic development in smaller port cities
- \$15 million for grants to high schools, community colleges and community-based nonprofits to purchase equipment that supports training for workforce development
- \$1 million for the Massachusetts Food Trust program to encourage economic opportunities in the food sector while bringing healthy food options to underserved communities

Preparing for a Changing Climate

The FY19 capital plan incorporates the goals of Executive Order 569, which was signed by Governor Baker in 2016 and outlines a comprehensive approach to reducing greenhouse gas emissions and protecting and preparing the Commonwealth for the impact of climate change. In building the capital plan, the Administration evaluated every investment for potential climate change implications.

The plan funds:

- \$55 million for transit-oriented housing, increasing the use of public transportation
- \$20.9 million for sustainability and resiliency improvements to state facilities
- \$12 million to help communities address deteriorating dams and rebuild seawalls
- \$11 million in grants to cities and towns for climate change vulnerability planning and adaptation efforts.
- \$10.9 million for more energy-efficient transit fleets
- \$5 million for a new program to accelerate energy efficiency improvements in public housing

Customer Orientation

The Baker-Polito Administration is committed to delivering efficient and secure service to the public, and this plan funds technology and other capital improvements that prioritize enhanced security and modernization of core services. The FY19 capital plan includes:

- \$17.4 million to fund a more secure IT infrastructure for all Executive branch

agencies by moving to a singular, modern, secure network

- \$1.75 million to support a shared, modern, online system to better serve residents and businesses interacting with the Departments of Environmental Protection, Conservation and Recreation, and Agricultural Resources

Value Optimization

The FY19 capital plan seeks to leverage other sources of funding to maximize the value of the Commonwealth's investments. This year's plan leverages over \$1 billion in federal funding, including over \$900 million for transportation programs such as the federal-aid highway program and the Green Line Extension (GLX) project. The Boston Harbor dredging project, for example, leverages matching funds from the U.S. Army Corps of Engineers and Massport.

The plan also funds:

- \$5.7 million to make improvements to bicycle and pedestrian lanes, leveraging \$12.3 million in federal funding sources for green transportation alternatives
- \$1.9 million in grants to public schools that complement federal grants to provide high speed internet and Wi-Fi access in schools; in FY19, the remaining 29 schools in Massachusetts that have reported a Wi-Fi need will be funded

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